

810-7-1-.30 Suspension of the Playing Cards Tax. **(NEW RULE)**

(1) Act 2014-331 was signed into law on April 7, 2014 and became effective on July 1, 2014. In accordance with Section 40-1-49, Code of Alabama 1975, as created by this Act, the Department of Revenue, by administrative rule, shall suspend the collection of a tax or fee when the cost of administering the collection of the tax exceeds the total amount of the tax collected for each of the previous three fiscal years.

(a) Title 40, Chapter 12, Article 2, Section 144 provides for a privilege license tax on playing cards sold within Alabama.

(b) Based upon a review of the collections of the Playing Cards Tax for fiscal years 2011-2013, the annual estimated administrative costs exceed the collection cost for this tax. Therefore, this tax meets the suspension requirements established in the Act.

(a) The Department of Revenue is prohibited in suspending the tax in the following cases:

(i) If the tax is mandated by a federal law or administrative rule.

(ii) If discontinuing the collection of such tax will result in reduced federal funding.

(iii) If discontinuing the collection of the tax will result in reduced state and local revenues that exceed the costs of administering the tax.

(iv) If suspending this tax will negatively affect the health, safety or welfare of the state.

(b) Suspension of the playing cards tax collections do not fall within these restrictions.

(3) Through the adoption of this rule, the Department of Revenue exercises its authority to suspend the collection of the Playing Cards Tax levied in Title 40, Chapter 12, Article 2, Section 144.

(a) The effective date of this suspension shall be April 1, 2015.

(b) March 31, 2015 shall be the final date for taxpayers to purchase playing cards tax stamps to be affixed to decks of playing cards.

(c) Upon implementation of this rule, the Department shall notify all affected parties in writing.

(4) Persons in possession of playing cards stamps on or after April 1, 2015 who wish to apply for a refund may do so under the following conditions:

(a) Complete form B & L:RP – Petition for Refund and return it along with the proper documentation to the Tobacco Tax Section.

(b) Return unused playing cards stamps in their original condition.

(c) Provide copy of purchase invoice for stamps purchased.

(d) Per the provisions of Section 40-2A-7(c), the refund must be for playing cards stamps obtained directly from the Alabama Department of Revenue within two years from the date of purchase.

(e) Refund requests which are unable to be verified within the office are subject to a field review.

(5) Refunds will only be allowed to those entities who purchased the playing cards tax stamps from the Alabama Department of Revenue and when sufficient documentation is provided to substantiate payment of all required taxes.

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Authority: Sections 40-2A-7(a)(5) and 40-1-49, Code of Alabama 1975

History: